

EXHIBIT

1

**UNITED STATES DISTRICT COURT
DISTRICT OF MAINE**

NAES CORPORATION,

Plaintiff,

v.

COASTAL RESOURCES OF MAINE LLC,

Defendant.

Case No. 1:20-cv-00201-NT

**AFFIDAVIT OF DEAN BLAHA IN SUPPORT OF MOTION FOR ATTACHMENT
AND ATTACHMENT ON TRUSTEE PROCESS
WITH INCORPORATED MEMORANDUM OF LAW**

I, Dean Blaha, being duly sworn and under oath, hereby state that the following is true and correct:

1. I am a Vice President of Operations at NAES Corporation (“NAES”).
2. All facts set forth herein are based on my personal knowledge and/or on my personal review of information supplied to me by others within NAES. In my capacity as Vice President of Operations, it is part of my regular and ordinary job responsibilities to review the types of information and documents referred to herein. If I were called to testify, I could and would testify competently to the facts set forth herein.
3. I submit this declaration in support of NAES’s *Motion for Attachment and Attachment on Trustee Process with Incorporated Memorandum of Law*. With respect to the documents described more fully below and/or in which I relied upon in making the statements in this affidavit, I am NAES’s custodian of these records, which were: (a) made at or near the time of the events described below; (b) by or at the direction of a person at NAES with knowledge of the events; and (c) kept in the ordinary course of NAES’s regularly conducted business, and it is NAES’s regular business practice to make such records.

4. Coastal Resources of Maine, LLC (“CRM”) owns a 144,000-square-foot municipal waste processing facility in Hampden, Maine (the “Facility”). In connection with CRM’s business operations, the Facility receives certain kinds of household and industrial solid waste. Upon information and belief, upon receipt of the waste materials, CRM’s business plan anticipated recycling the plastic, metal, and cardboard solid waste and using other waste materials to create a renewable natural gas and/or other energy source.

5. NAES is an independent services company for domestic and international third-party power generation facilities and experienced in operations, maintenance, construction, engineering, and technical support to build, operate, and maintain energy facilities.

6. In November of 2017, CRM retained NAES to provide various services at the Facility, including, but not limited to, providing site personal to operate and maintain the Facility. CRM does not employ any individuals in connection with the operation or maintenance the Facility. NAES provided all necessary labor, professional, supervisory, and managerial personnel as required to operate the Facility on CRM’s behalf.

7. On or about November 17, 2017, CRM and NAES executed a certain Operating and Management Services Agreement (the “O&M Agreement”) which sets forth the terms, conditions, and scope of work with respect to NAES’s provision of services at the Facility.

8. Beginning in 2017, pursuant to the O&M Agreement, NAES managed the day-to-day operations and maintenance of the Facility in support of CRM’s operation of the Facility. At the historical height of the Facility’s operations, NAES employed approximately 55 individuals to perform the day-to-day business operations such as routine and preventive maintenance, facility administration, employee training, and monitoring and testing of the Facility and its equipment.

9. As further described in the O&M Agreement, CRM agreed to prefund all of NAES's reasonably anticipated operating costs, including, but not limited to, all Facility personnel wages and benefits and costs for third-party providers of goods and services, on a monthly basis in accordance with an agreed-upon operating and maintenance budget. At the end of each month, CRM and NAES agreed to true up the actual operating and other costs incurred by NAES during the preceding month.

10. In addition to the operating costs paid by CRM, CRM agreed to pay NAES an annual management fee. Pursuant to the terms of the O&M Agreement, during the relevant time period the management fee was \$10,000 monthly.

11. At all relevant times, NAES performed all services within its scope pursuant to the O&M Agreement and in accordance with CRM's directions communicated to NAES.

12. In addition to the O&M Agreement, CRM and NAES entered into a certain Accounting Services Agreement on or about May 8, 2018 (the "Accounting Agreement") whereby CRM retained NAES to provide certain accounting services in support of CRM's accounts receivable and accounts payable obligations under certain agreements with suppliers of household waste from participating municipalities.¹

13. Pursuant to the Accounting Agreement, CRM agreed to compensate NAES \$6,300 per month (subject to annual rate increases and potential adjustment based on the actual amount of time required for NAES personnel to perform the support service), plus reimbursement for its out-of-pocket expenses, for NAES's performance under the Accounting Agreement.

¹ The Accounting Agreement and O&M Agreement may collectively be referred to herein as the "Agreements".

14. Despite NAES performing uninterrupted continuous work pursuant to the terms of the Agreements from December 2017 to present, CRM has not paid NAES all amounts due and payable pursuant to the Agreements.

15. As of June 1, 2020, CRM owes NAES not less than \$1,226,903.54 for expenses and services integral to its performance under the Agreements (largely attributable to wage and benefit amounts paid out-of-pocket by NAES to employees). NAES has fully performed under the Agreements and not less than \$1,226,903.54, plus interest at the contractual rate, amounts that continue to accrue, and costs of collection, is immediately due and payable.

16. Throughout 2020, CRM assured NAES that it was working diligently in pursuant of, and anticipated receiving, additional sources of funding and/or revenue, and would pay all amounts owed to NAES promptly. During this time period, CRM never disputed the amounts owed to NAES.

17. In early June of 2020, in light of the growing account payable that CRM owes to NAES, NAES ceased substantial work at the Facility pursuant to the terms of the O&M Agreement and expects to wind-down all work at the Facility by July 1, 2020. The amounts owed to NAES continue to accrue to during the wind-down period pursuant to the O&M Agreement.

18. I am not aware of any liability insurance, bond, or other security, or of any property or credits attached by other writ of attachment or by trustee process available to satisfy any judgment NAES may receive in this case.

Dated this 9th day of June 2020.

/s/ Dean Blaha

Dean Blaha

Vice President Operations

NAES Corporation

1180 NW Maple Street, Suite 200

Issaquah, WA 98027

STATE OF _____
_____, ss.

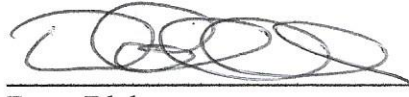
Date:

Personally appeared the above-named, Dean Blaha and made an oath that the foregoing statements were true based on his personal knowledge.

Notary Public

My Commission Expires:

Dated this 9th day of June 2020.

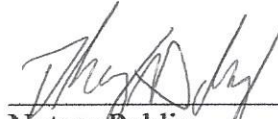
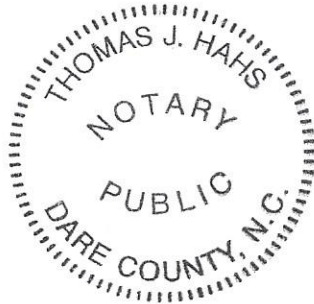


Dean Blaha
Vice President Operations
NAES Corporation
1180 NW Maple Street, Suite 200
Issaquah, WA 98027

STATE OF N.C.
Dare County, ss.

Date: 6-9-2020

Personally appeared the above-named, Dean Blaha and made an oath that the foregoing statements were true based on his personal knowledge.


Notary Public

My Commission Expires: 7-13-21